

Conflict Resolution, Peace and Reconstruction in Africa

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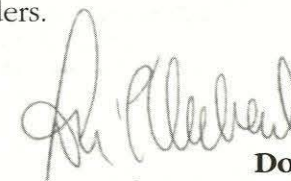
FOREWORD

In the second half of the 20th Century, the African Continent, more than any other part of the World has suffered enormously from violent conflict within and between States. This has exacted heavy toll on Africa in terms of human suffering and lost development opportunities. The contagion effects on the neighborhood, in loss of confidence from investors, have been considerable. African leaders have recognized the imperative of preventing and tackling conflict and in recent years the continent has become increasingly stable. Nonetheless this should not obscure the huge challenges faced by post-conflict countries and fragile states in general; how to consolidate peace agreements, rebuild state institutions, provide basic services and relaunch the economic activity. This is what provides the so called peace dividends; hope and opportunities for their people. For the African Development Bank, addressing these issues, is a key priority, kick starting the economies, rebuilding institutional capacity and normalizing relationships with international financial institutions.

This report aims to contribute to our knowledge about the nature, causes, and consequences of conflict in Africa with a view to shedding light on strategies to achieve successful post-conflict recovery.

The report emphasizes the critical role of sound economic policies for promoting post-conflict recovery and consolidating peace. It underlines the importance of building strong national institutions for effective economic policy making and peace building. It argues that state building must feature prominently in international efforts to support the affected countries achieve lasting political stability and sustainable development path.

While this report provides useful insights into these critical development challenges, it also reveals large gaps in our understanding of the issues in question. I hope that this report inspires constructive debate among researchers and policy makers to help better understand what works, and spreading best practice on the continent. Such an endeavor is at the centre of the Bank's new policy frame work on fragile states. I commend the report to our readers.



Donald Kaberuka
President

African Development Bank

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ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADF	African Development Fund
BHP	Bumbuna Hydroelectric Project
CAR	Central African Republic
CPIA	Country Policy and Institutional Assessment
CPPR	Country Portfolio Performance Rating
CSP	country strategy paper
DDR	disarmament, demobilization and reintegration
DRC	Democratic Republic of Congo
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
EU	European Union
FSF	Fragile State Facility
GSPC	Salafist Group for Preaching and Combat
HIPC	Highly Indebted Poor Country
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
HLF	High Level Forum
ICC	international criminal court
IDP	internally displaced person
IFI	international financial institution
IMF	International Monetary Fund
ISA	independent service authority
LRA	Lord's Resistance Army
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MPLA	Popular Movement for the Liberation of Angola
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
NPV	net present value
OECD DAC	Organization for Economic Cooperation and Development—Development Assistance Committee
PBA	performance-based allocation
PBL	policy-based lending
PCCF	Post-Conflict Countries Facility
PRSP	Poverty Reduction Strategy Paper
RMC	Regional Member Country
RUF	Revolutionary United Front
SADC	Southern African Development Community

economic and financial governance. Where macro-economic imbalances have been successfully tackled, the Bank's enhanced engagement will focus on building institutions and strengthening capacity in financial governance. Good financial governance is particularly important for resource-rich fragile states where often the conflict that led to fragility was largely attributable to the mismanagement of revenues derived from natural resources. Consequently, in resource-rich fragile states, special attention shall be paid to the efficient management of natural resources, particularly in the extractive industries. Accordingly, the Bank shall continue to encourage concerned fragile states to adhere to the Extractive Industries Transparency Initiative (EITI) and its companion program EITI++¹ through advocacy and by providing pertinent advisory services and resources to facilitate the process. The prudent management of extractive industries is particularly timely given the prolonged commodity boom and provides a unique opportunity for resource-rich fragile states to tackle poverty. By enhancing its support for good governance in both resource-rich and other fragile and conflict-affected countries, the Bank is emphasizing its commitment to alleviating the development challenges of all its regional member countries.

¹ EITI is an attempt to increase transparency and accountability in the management of natural resources. It requires extractive companies to publish information about payments they make to the government. The government, for its part, is required to publish information about revenues it receives from the exploitation of natural resources.

Conclusion: moving forward

Despite the increased support from the Bank and other international partners, there are still numerous gaps requiring urgent assistance and scaling up of financial resources in fragile and conflict-affected regional member countries. The gaps vary across countries and are usually clearly brought out through relevant national planning documents, such as Joint Needs Assessment Reports, Transitional Support Frameworks for post-conflict countries, or Interim or full Poverty Reduction Strategy Papers for other categories of countries. Funding gaps are evident in the following areas: (i) absence of funds for recurrent costs and capacity to run key government ministries in the earliest phases in post-conflict countries; (ii) lack of assistance to build or rebuild state institutions; (iii) absence of harmonization of support to stabilize the macroeconomic environment, improve governance, and fight corruption; (iv) inappropriate assistance in restoring and building the delivery of basic public services; (v) late and slow procedures related to the security system through DDR-programs and security sector reform; and (vi) late and slow procedures in reconstruction of supportive infrastructure (roads, water and sanitation, and energy). Rather than duplicate the efforts of others, the Proposal for Enhancing Bank Group Assistance Strategy to Fragile States in Africa needs to focus on addressing the gaps that fall within the Bank's mandate and areas of competence. The Bank Group also needs to enhance its collaboration with other partners in order to address development assistance outside its core areas of competence.

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Statistical Appendix

The main purpose of this part of the Report is to present basic data that enable the monitoring of economic and social progress in regional member countries of the African Development Bank (ADB), and provide benchmark data for analysts of African development. The data cover the Bank's 53 Regional Member Countries, with statistics on basic indicators, national accounts, external sector, government finance, and external debt.

The tables contain historical data from 1980 to 2007. Period averages are provided for 1980–1990, and 1991–2007.

The data are obtained from various international sources and supplemented, to the extent possible, with data directly obtained from ADB regional member countries, and estimates by the ADB Statistics Department. Statistical practices vary from one regional member country to another with regard to data coverage, concepts, definitions, and classifications used. Although considerable efforts have

been made to standardize the data, full comparability cannot be assured. Care should be exercised in their interpretation. They provide only indications on trend or structure that allow for the identification of significant differences between countries.

Technical information on these data is provided in the explanatory notes to facilitate appropriate interpretation. However, users are advised to refer to the technical notes of the specialized publications of the main sources for more details.

The designations employed and the presentation of data therein do not imply any opinions whatsoever on the part of the African Development Bank concerning the legal status of any country or of its authorities. They were adopted solely for convenience of statistical presentation.

Symbols used

- ... not available
- 0 zero or insignificant value
- | break in data comparability